

# ***NEWS RELEASE***

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***OFFICE OF THE UNITED STATES ATTORNEY  
SOUTHERN DISTRICT OF CALIFORNIA  
San Diego, California***

***United States Attorney  
Carol C. Lam***

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***For Immediate Release***

**NEWS RELEASE SUMMARY - September 8, 2006**

United States Attorney Carol C. Lam announced that Stevan Charles Pedroarena was arraigned today on a superseding indictment in United States District Court in San Diego before the Honorable Jeffrey T. Miller. In the superseding indictment, both Pedroarena and his wife, Maria Del Carmen Pedroarena, are charged with three counts of tax evasion. The indictment also charges Mr. Pedroarena with one count of making a false statement. Mr. Pedroarena also faces one count of bribery in connection with a bankruptcy proceeding, which was previously charged on March 14, 2005. The grand jury handed up its superseding indictment on Thursday, September 7, 2006.

The Pedroarenas filed for personal bankruptcy on January 21, 1999. Their bankruptcy debts were subsequently discharged by the United States Bankruptcy Court on May 5, 1999. According to Assistant U.S. Attorney Christopher P. Tenorio, who is prosecuting the case, the indictment alleges that Mr. Pedroarena illegally offered to settle an outstanding business debt with the proceeds from the Punta Banda property he owned in Ensenada, Mexico, while bankruptcy proceedings were pending.

The indictment further alleges that Mr. Pedroarena made false statements on a bank account application and Internal Revenue Service document, by falsely claiming he was not a U.S. citizen and that the account was therefore tax-exempt as the account of a foreign national. Mr. Pedroarena subsequently deposited proceeds from the Punta Banda property into the fraudulently-opened bank account. During the tax years 2000 through 2002, the defendants withdrew approximately \$1,000,000 from the account, which they did not declare on their jointly-filed income tax returns. The Pedroarenas are alleged to have evaded taxes for tax years 2000 through 2002.

The United States Attorney praised work of the Federal Bureau of Investigation, the Internal Revenue Service, and the United States Trustee's Office Criminal Enforcement Unit for in the investigation of this matter.

Stevan Charles Pedroarena is scheduled to appear before Judge Miller for a motions hearing on December 8, 2006, at 2:00 p.m. Maria Del Carmen Pedroarena is expected to be arraigned on the indictment on Tuesday, September 12, 2006.

#### **DEFENDANTS**

**Case Number: 05cr0436-JM**

Stevan Charles Pedroarena  
Maria Del Carmen Pedroarena

#### **SUMMARY OF CHARGES**

Count 1	Title 18, United States Code, Section 152(6) (Bankruptcy Fraud - Bribery in Bankruptcy) Maximum penalty: 5 years in custody; \$250,000 Fine (Defendant Stevan Charles Pedroarena)
Count 2	Title 18, United States Code, Section 1001 (False Statement) Maximum penalty: 5 years in custody; \$250,000 Fine (Defendant Stevan Charles Pedroarena)
Counts 3 - 5	Title 26, United States Code, Section 7201 & Title 18, United States Code, Section 2 (Tax Evasion, and Aiding and Abetting) Maximum penalty: 5 years in custody; \$100,000 Fine (Both Defendants)

#### **AGENCIES**

Internal Revenue Service, Criminal Investigation Division  
Federal Bureau of Investigation  
United States Trustee's Office Criminal Enforcement Unit

**An indictment is not evidence that the defendants committed the crimes charged. The defendants are presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.**